



Financial Literacy Requirement

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Position Statement:

The State of Iowa Youth Advisory Council is in support of HF 28, which would make taking a personal finance literacy course a graduation requirement in all Iowa schools.

Position

It is the position of the State of Iowa Youth Advisory Council, the voice of Iowa's youth, in support of HF 28, to enact a bill that would make taking a one-half unit of a personal finance literacy course a required action for high school students to graduate.

Rationale

The goal of this proposed legislation is to increase financial literacy among high school students in order to help them start a financially stable life. [1] 1 in 2 millennials are living paycheck to paycheck, while 1 in 4 student loan borrowers are in default on their loans. In states where financial literacy programs have been implemented (such as Georgia, Texas, and Idaho), delinquency rates have decreased and credit scores have increased. When students are exposed to this type of curriculum in high school, their net worth becomes an average of 9% larger than students who were never exposed to financial education. Students who have taken a class in personal finance are more likely to engage in financially responsible behaviors such as saving, budgeting, and investing: 93% of those who have taken a class save money vs. 84% of those who have not; 60% of those who have taken a class have a budget versus 46% of those who have not; 32% of those who have taken a class have invested money versus 17 % of those who have not. This bill would provide youth with the knowledge needed to create the financial foundation of the rest of their life.

Recommended Action

To provide students with the financial knowledge that will be applicable to the rest of their lives, supporting and enacting HF 28 would make one-half unit of personal finance courses a requirement for graduation in all Iowa schools. 17 states have already made these courses required, and Iowa should follow suit to help create better financial futures for high school students.

Sources

1- "Policy and Advocacy, Survey of the States." Council for Economic Education. Council for Economic Education, 2017. Web. 22 Oct. 2017.